

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE
CONTRACT 102 (MC2019-143)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-158

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 102,
FILED UNDER SEAL
(August 28, 2020)**

The Postal Service hereby provides notice that the terms of Priority Mail & First-Class Package Service Contract 102, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail & First-Class Package Service Contract 102 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail & First-Class Package Service Contract 102. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
August 28, 2020

ATTACHMENT A

REDACTED AMENDMENT TO

PRIORITY MAIL & FIRST-CLASS PACKAGE SERVICE CONTRACT 102

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL
AND
FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail and First-Class Package Service Contract 102/Docket No. CP2019-158, regarding Priority Mail and First-Class Package Service on May 13, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.C, I.E.3 and V of the Contract, and add new Table A.1.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B (adding new Table A.1), I.C, I.E.3 and V in their entirety, as follows.]

I. Terms

B. This Contract applies to Customer’s inbound and outbound packages (collectively “Contract Packages”), excluding packages originating from and/or addressed to ZIP Codes contained in Table A.1 below, as follows:

1. Priority Mail weight-based packages that do not exceed [REDACTED];
2. Priority Mail cubic packages that do not exceed [REDACTED];
3. First-Class Package Service – Commercial packages that do not exceed [REDACTED];
4. Customer’s unit loads (pallets and pallet boxes) handled by the Postal Service as Palletized Priority Mail Open and Distribute (PPMOD) containers via surface transportation only and that do not exceed [REDACTED]. Containers will be prepared and labeled in the [REDACTED].

manner specified by the Postal Service, for destinations as designated by the Postal Service based on customer origin points; and

5. Priority Mail Open & Distribute (“PMOD”) sacks weighing more than [REDACTED]

[REDACTED]

The Postal Service shall assign a unique mailer identification number (MID) to Customer for use and designation on Contract Packages. All Contract Packages must originate outside the United States. Labels containing the assigned MID, and other pertinent information shall be affixed to these Contract Packages before entering the United States. Contract Package discounts under this Contract shall only be available for Contract Packages bearing the MID assigned by the Postal Service for purposes of this Contract.

- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number to ship such packages, and will use the Electronic Verification System (“eVS”), successor eVS system or other approved payment method directly with the Postal Service (without intermediaries or Third Party Payment vendors). For avoidance of doubt, Customer’s packages shipped using a different pay method are not covered by this Contract and will not receive Contract Prices in this Contract. The parties have mutually agreed to specific shipping locations from where Contract Packages must originate, along with the associated Customer Registration ID, Mailer ID and Payment Method information required for each shipping location, provided that dropshipping, as may be approved by the Postal Service, may originate from other locations. Contract pricing for any newly approved payment methods will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Priority Mail Contract Packages, plus Customer’s other Priority Mail packages (“Total PM Packages”), and First-Class Package Service – Commercial Contract Packages, plus Customer’s other First-Class Package Service packages (“Total FCPS Packages”), shipped from authorized permits shall count toward the volume commitments expressed in Sections I.E.2 and I.E.3, including Tables B and C, and Section I.F below. Customer’s PMOD sacks are to be shipped under permit numbers other than those used for postage payment on Customer’s other Contract Packages.

- E. [Unchanged.]

1. [Unchanged.]

2. [Unchanged.]

3. Tier threshold (Total FCPS Packages). As outlined in Table C below and excluding the Implementation Period, as described in Section I.F below, the following quarterly average volumes for Total FCPS Packages must be met in order to achieve the applicable First-Class Package Service Contract Package discounts in Section I.H, and Tables 6 through 10 below. If Customer fails to meet the minimum Total FCPS Package Commitment for Tier 1 discounts, the Postal Service in its sole discretion reserves the right to revert Customer to the most current First-Class Package Service – Commercial prices in the subsequent Contract Quarter.

V. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: DocuSigned by: Timothy Costello

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Printed Name: Timothy R. Costello

Title: Vice President Sales

Date: 8/27/2020

